

## **LONG TERM DISABILITY INSURANCE**

## INTRODUCTION

One of the major objectives of Universities Research Association, Inc./Fermi National Accelerator Laboratory is to provide and maintain a comprehensive program of benefits for its employees. Fermilab has arranged with Life Insurance Company of North America, a CIGNA company, to include a long term disability (LTD) plan in the Laboratory's benefit program. The long term disability plan provides continuation of a part of your income during a prolonged disability.

Fermilab and you share in the cost of the long term disability coverage. After six months of employment your required contribution will automatically be deducted from your paycheck provided that you are eligible to participate in this plan.

This kind of insurance can be very important, if you need it, for lengthy disabilities can quickly exhaust your savings. This summary represents general information only regarding the terms of the plan. While every effort has been made to make this summary as accurate as possible, if there are any inconsistencies between this summary and the provisions of the insurance policy, the insurance policy shall govern. The benefits and other principal provisions described in the summary are effective only if you are eligible to participate, become a participant and remain a participant in accordance with the provisions of the plan.

No person has the authority to make any verbal statement of any kind at any time which is legally binding upon Universities Research Association, Inc.

It is the intent of URA to provide a long term disability plan as described in this summary. However, they reserve the right through the plan administrator to change or terminate the plan.

## SCHEDULE OF BENEFITS

### Benefits Start

After 180 continuous days of total disability.

### Amount Payable

60% of basic monthly salary as of the date of total disability. Basic monthly salary excludes commissions, bonuses, overtime and other extra compensation.

### Maximum Benefit

\$12,000 per month.

### Minimum Benefit

\$100 per month.

### Payment Period

Determined by your age on the date of disability.

Age at Disability	Maximum Benefit Period
62 or younger	To age 65*
63	3 years
64	2 years 6 months
65	2 years
66	1 year 9 months
67	1 year 6 months
68	1 year 3 months
69 or older	1 year

\*Or the date the 42<sup>nd</sup> monthly benefit is payable, if later.

### Pre-existing Condition Exclusion

We will not pay benefits for any period of disability caused by or resulting from a pre-existing condition. A pre-existing condition means any injury or sickness for which you incurred expenses, received medical treatment, care or services including diagnostic measures, took prescribed drugs or medicines, or for which a reasonable person would have consulted a physician within three months before your most recent effective date of insurance.

The pre-existing limitation will apply to any added benefits or increases in benefits. This limitation will not apply to a period of disability that begins after you are covered for at least 12 months after your most recent effective date of insurance or the effective date of any added or increased benefits.

### Survivor Benefit Amount

A lump sum equal to 3 times the LTD monthly income benefit.

## **Pension Contribution Benefit**

10% of basic monthly salary, to a maximum of \$2,500, as of the date of disability.

## **ELIGIBILITY**

All full-time employees and full-time employees with scientific term appointments regularly working a minimum of 40 hours per week are required to participate in this plan after 6 months of continuous active employment.

## **ENROLLMENT**

There are no enrollment forms to complete. You are automatically enrolled in the plan after 6 months of continuous active service.

## **EFFECTIVE DATE OF COVERAGE**

Your coverage will be effective on the date you complete 6 months of continuous active employment. If you are absent on that date, the effective date of coverage will be deferred until the date you complete one day of work.

## **COST**

Your share of the premium is .5093% of your basic monthly salary to a maximum of \$101.86 per month.

## **TOTAL DISABILITY**

You are considered disabled if, solely because of injury or sickness, you are either:

1. Unable to perform all the material duties of your regular occupation or qualified alternative
2. Unable to earn 80% or more of your indexed covered earnings

After disability benefits have been payable for 24 months, you are considered disabled if, solely due to injury or sickness, you are either:

3. Unable to perform all the material duties of any occupation for which you are, or may

reasonably become qualified based on education, training or experience

4. Unable to earn 80% or more of your indexed covered earnings

## **WAITING PERIOD**

You qualify for long term disability income after you have been totally disabled for 180 continuous days. If you return to work during the waiting period, it must be for no more than 14 consecutive days or a new waiting period must begin.

During the waiting period your accrued sick leave and vacation should provide an income. If your earned accruals do not cover the waiting period, you will not have income until LTD benefits are approved.

## **SUCCESSIVE DISABILITIES**

If your monthly benefits stop because of your return to work, and while insured you again become totally disabled because of an injury or sickness which is the same as or related to the previous injury or sickness, and your return to work is for less than 6 months, monthly benefits will resume as though the new period of disability was a continuation of a prior period of disability. Otherwise, you must establish a new 180-day waiting period before benefits will start.

## **EXCLUSIONS**

Payments will not be made under this plan for any disability which directly results from:

5. Suicide, attempted suicide or self-inflicted injury while sane or insane
6. War or any act of war, whether or not declared
7. Terrorism or active participation in a riot
8. Injury or sickness while you are serving on full-time duty in any armed forces
9. Commission of a felony
10. The revocation, restriction or non-renewal of your license, permit or certification necessary to perform the duties of your occupation unless due solely to injury or sickness otherwise covered by the policy

In addition, disability benefits will not be paid for any period of disability during which you are incarcerated in a penal or corrections institution.

## **PAYMENT OF BENEFITS**

Your disability income is equal to 60% of your basic monthly salary up to the maximum amount in the schedule of benefits. Your disability income will be reduced by any other disability benefits payable under:

- Workers compensation
- Single and family Social Security
- Retirement or unemployment benefits provided under state or federal laws
- Disability or retirement benefits under any other plan of insurance provided by URA
- Damages or settlements recovered in a third party action
- Earnings to the extent provided under the Work Incentive Benefit Calculation

## **INDEXED COVERED EARNINGS**

For the first 12 months monthly benefits are payable, your indexed covered earnings are equal to your covered earnings. After 12 months benefits are payable, your indexed covered earnings are your covered earnings plus an increase applied on each anniversary of the date monthly benefits become payable. The amount of each increase will be the lesser of:

11. 10% of your indexed covered earnings during your preceding year of disability or
12. The rate of increase in the Consumer Price Index (CPI-W) during the preceding calendar year

## **SOCIAL SECURITY FREEZE**

The LTD benefit will be calculated on the basis of the applicable Social Security tables at the time you start to receive monthly income benefits from Social Security and Life Insurance Company of North America. Future general increases in Social Security will not decrease Life Insurance Company of North America LTD income benefits.

## **SURVIVOR BENEFIT**

If you die while receiving monthly LTD benefits, Life Insurance Company of North America will pay a survivor benefit equal to 3 times the LTD monthly income benefit. The survivor benefit will be paid to your legal spouse as defined by the state of residence. If there is no surviving spouse, the survivor benefit will be paid to your estate if you have surviving unmarried children under age 21. Survivor benefits will not be paid if there is no eligible spouse or children, and survivor benefits will first be applied to reduce any claim overpayments.

## **WAIVER OF LTD PREMIUM**

The insurance company will waive the cost of the long term disability insurance while you qualify for benefits.

## **REINSTATEMENT OF INSURANCE**

Your coverage may be reinstated if your insurance ends because you are on an employer approved unpaid leave of absence for 12 weeks or less. For your insurance to be reinstated the following conditions must be met:

13. You must qualify under the eligibility definition.
14. The required premium must be paid.
15. A written request for reinstatement must be received by the insurer within 31 days from the date you returned to active service.

Your reinstatement insurance is effective on the date you return to active service. If you did not fully satisfy your eligibility waiting period or pre-existing condition limitation (if any) before your insurance ended due to an unpaid leave of absence, you will receive credit for any time that was satisfied.

If you are on an employer-approved unpaid leave of absence for more than 12 weeks, but not exceeding two years, your insurance coverage may be reinstated. Your reinstatement of insurance coverage is effective on the date you return to

active service. You will not have an eligibility waiting period, but will be subject to the pre-existing condition limitation and must qualify under the eligibility definition.

## **TERMINATION OF LTD COVERAGE**

Your LTD coverage will terminate on the earliest date:

- the date you are eligible for coverage under a plan intended to replace this coverage
- the date the policy is terminated
- the date you are no longer in an eligible class
- the day after the end of the period for which premiums are paid
- the date you are no longer in active service
- the date benefits ends because you did not comply with the terms and conditions of the insurance coverage.

If you are receiving disability benefits when the policy terminates, disability benefits will continue if you remain disabled and meet the requirements for the insurance. Any later period of disability, regardless of cause, that begins when you are eligible under another disability coverage provided by any employer, will not be covered.

Termination of the policy for any reason will have no effect on Life Insurance Company of North America's liability under this provision.

## **EMPLOYMENT STATUS WHILE ON SICK LEAVE PRIOR TO RECEIVING LTD BENEFITS**

You will return to the same position if you are released to work within the six months.

## **EMPLOYMENT STATUS WHILE RECEIVING LTD BENEFITS**

If you return within the first six months from the date you are approved for LTD, you will return to your own position or an equivalent position. If, due to medical restrictions, you cannot return to your position or an equivalent one, every effort

will be made to find an appropriate position within your Division/Section.

If you return from the seventh month to a year of being on LTD, you will be given priority consideration for existing openings for which you are qualified. These openings can be in any Division/Section at the Lab. No guarantee is made that a position will be found for you.

When you are on LTD for a year, you are placed on inactive status. This means that you are separated from the Lab. If you are able to return to work at this point, you must apply for posted job openings and go through the interview process.

## **HOW TO FILE A CLAIM**

If you have been unable to work because of an injury or sickness for 3 continuous months, contact Fermilab's Benefits Office. The staff will counsel you as to what must be done in order to receive benefits.

*Contact: Employee Benefits Office  
Phone: (630) 840-4362 or 4361  
Location: Wilson Hall, 15<sup>th</sup> Floor  
Address: P.O. Box 500  
Mail Stop 126  
Batavia, IL 60510*

You must apply for social security disability benefits. Social Security has a 5 month waiting period. After 3 months of continuous disability call your nearest Social Security Office and apply for benefits.

## **NOTICE OF COMPLAINT**

Complaints regarding Life Insurance Company of North America can be filed with the Illinois Insurance Department at the following address:

*Illinois Department of Insurance  
320 West Washington St.  
4<sup>th</sup> Floor  
Springfield, IL 62767  
(217) 782-4515*

## PENSION AND OTHER BENEFITS WHILE ON LTD

Outline for Employee and Family Coverage (if applicable)

Pension Plan	Contributions continue
Voluntary Pension Plan	Contributions stop
Medical Plan	Employee pays current deduction
Dental Plan	Employee pays current deduction
Basic Group Life Insurance	Continues at no cost
Supplemental Life Insurance	May continue under waiver of premium
Dependent Life Insurance	May continue
Individual Life Insurance	May continue
Long Term Care Insurance	May continue
Auto/Homeowners Insurance	May continue

### PENSION PLAN

If you were a participant in the Retirement Plan for Employees of Universities Research Association, Inc. at the time you became totally disabled, the Laboratory's monthly contribution will continue as long as you receive long term disability income. However, if you elect to retire, pension contributions stop. Contributions into your pension fund are based upon your basic monthly salary at the time you become totally disabled. Any voluntary contributions will stop when LTD income benefits start.

### MEDICAL PLAN

#### Employee Coverage

Your medical insurance will continue provided you continue to make the required payments for single coverage. You will be covered by the plan in which you were enrolled at the time you became totally disabled. While you are totally disabled, you are eligible to change plans during the open enrollment period. If you are eligible to retire and elect to retire, you will be covered under the terms and conditions of the retiree medical

plan. Otherwise, coverage terminates when you no longer qualify for LTD benefits.

#### Dependent Coverage

As long as you qualify for long term disability benefits, your dependents are eligible to continue on the medical plan provided that you make the required payments for family coverage, and they remain eligible dependents under the medical plan in which you are enrolled. If you are eligible to retire and elect to retire, your eligible dependents' will be covered under the terms and conditions of the retiree medical plan. Otherwise, coverage terminates when you no longer qualify for LTD benefits.

#### Effects of Medicare

If you qualify for Medicare health insurance because of your disability, you must enroll in Medicare Part A and B. Medicare will be the primary payer as long as you continue to be no longer actively at work and continue to qualify for Medicare. However, if your disability is due to renal dialysis, Medicare will be the second payer during the first 18 months of renal treatment, and first payer thereafter.

### DENTAL PLAN

#### Employee Coverage

Your dental coverage will continue as long as you make the required payments. While you are totally disabled, you are eligible to change plans during the open enrollment period. Dental coverage terminates when you retire or no longer qualify for LTD benefits.

#### Dependent Coverage

Your dependents are eligible to continue on the dental plan provided that you make the required payments for family coverage, and they remain eligible dependents under the plan in which you are enrolled. Dental coverage terminates when you retire or no longer qualify for LTD benefits.

### LIFE INSURANCE

#### Basic Life Insurance

The Laboratory will continue to pay for your group basic life insurance coverage. Basic

coverage stops at retirement, termination of LTD benefits or the Laboratory stops paying premiums which ever occurs first.

### **Supplemental Life Insurance**

Employees enrolled in the group supplemental life insurance plan who become totally disabled prior to age 60 can continue to pay the supplemental life insurance premium, and after nine months of total disability can file with the group insurance carrier for a waiver of the life insurance premium. When the waiver of premium claim is approved, your supplemental life insurance will continue for one year at no cost to you. Subsequent proof of your total disability must be furnished every twelve months to continue the coverage under the waiver of premium provision. Extension stops at retirement or termination of LTD benefits.

Your group supplemental life insurance coverage will terminate should the insurance carrier not approve your waiver of premium claim. At that time you can convert your group supplemental life insurance to an individual conversion policy. (See conversion rules in the life insurance certificate.)

### **Dependent Life Insurance**

If your group supplemental life insurance is continued, your group dependent life insurance can also be continued provided that you pay the required premium, and your dependents are eligible.

If your group supplemental life insurance terminates, your group dependent life insurance will also terminate. However, your dependents can convert their life insurance to an individual conversion policy. (See conversion rules in the life insurance certificate.)

### **Individual Life Insurance**

If you were enrolled in the individual life insurance plan through payroll deductions, you can continue the policy by direct payments to the insurance carrier. Contact Fermilab's Benefits Office for information.

## **LONG TERM CARE INSURANCE**

If you were enrolled in the long term care insurance plan through payroll deductions, you can continue the policy by direct payments to the insurance carrier. Contact Fermilab's Benefits Office for information.

## **AUTO/HOMEOWNERS INSURANCE**

If you were enrolled in the auto/homeowners insurance program through payroll deductions, you can continue the policy by direct payments to the insurance carrier. Contact Fermilab's Benefits Office for information.

## **ERISA INFORMATION**

### **Plan Name**

Long Term Disability Insurance

### **Plan Number**

504

### **Employer Identification Number**

52-0816670

### **Plan Sponsor**

Universities Research Association, Inc.  
(Fermi National Accelerator Laboratory)

### **Type of Plan**

Welfare

### **Plan Year Ends**

The benefit plan records are kept on a calendar year basis. The plan year ends each December 31.

### **Plan Administrator**

Head, Laboratory Services  
Fermi National Accelerator Laboratory  
P.O. Box 500  
Batavia, IL 60510  
(630) 840-3396

### **Plan Fiduciary**

Vice President  
Universities Research Association, Inc.

Suite 400  
1111 19<sup>th</sup> Street N.W.  
Washington, D.C. 20036

## **Agent of Service of Legal Process**

Plan Administrator and/or Plan Fiduciary

## **Plan Cost**

Paid by the employer and employees.

## **Benefits Provided By**

Life Insurance Company of North America  
1601 Chestnut Street  
Philadelphia, PA 19192-2235

## **Plan Effective Date**

August 1, 1967

## **Eligibility**

All regular full-time employees and full-time scientific term appointments.

## **Loss of Benefits**

You must continue to be a member of the class to which the plan pertains and continue to make any required contributions when you enroll.

Universities Research Association, Inc./ Fermi National Accelerator Laboratory maintains the right through the plan administrator to modify or terminate the plan.

## **Collective Bargaining Agreements**

Benefit information can be found in the following labor agreements.

- Local No. 701, International Association of Machinists and Aerospace Workers (AFL-CIO): Machinists and Welders.
- Local No. I-21, International Association of Fire Fighters (AFL-CIO): Fire Fighters.
- Local No. 701, International Association of Machinists and Aerospace Workers (AFL-CIO): Computer Operators.
- Local No. 701, International Association of Machinists and Aerospace Workers (AFL-CIO): Maintenance Electricians and Mechanics.

## **Requests For Information and Claim Procedures**

Request for information and claims concerning eligibility, participation, contributions, or other aspects of the operation of any plan should be directed to the Plan Administrator.

If a written request or claim is denied, the Administrator shall, within a reasonable time, provide a written denial to the participant. It will include the specific reasons for denial, the provisions of the plan upon which the denial is based, a description of any material needed to complete the claim (if appropriate) and why it is necessary, and instructions on how to apply for a review of the claim. When the Administrator requires additional time to process a claim because of special circumstances, an extension may be obtained by notifying the participant that a decision on the claim will be delayed, what circumstances have caused the delay and when a decision can be expected. The Administrator will inform the participant of the delay within ninety days of the date the claim was submitted.

A participant may request in writing a review of a denied claim and may review pertinent documents and submit issues and comments in writing to the Administrator. The Administrator shall provide in writing to the participant a decision upon such request for review of a denied claim within sixty days of receipt of the request. When special circumstances require an extension, the Administrator may obtain such extension by notifying the participant that the decision on the review of the denied claim will be delayed, why and when a decision can be expected. See each plan's section for specifics on how to file a claim.

## **Rights and Protections**

The following statement of ERISA rights is required by federal law and regulation. As a participant in the retirement and welfare plans you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

16. Examine, without charge, at the Plan Administrator's Office and at other specified



locations, such as work sites and union halls, all plan documents, including insurance contracts, collective bargaining agreements and copies of all documents filed by the plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions. The Plan Administrator's Office is located at Robert R. Wilson Hall, 15<sup>th</sup> floor southeast.

17. Obtain copies of all plan documents and other plan information upon written request to the Plan Administrator.
18. Receive a summary of the plan's annual financial report if the plan covers 100 or more participants. The Plan Administrator is required by law to furnish each participant with a copy of this summary financial report.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefits plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants. No one, including your employer, your union or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA. If your claim for a pension or welfare benefit is denied in whole or in part, you may receive a written explanation of the reason for the denial. You have the right to have the claim reviewed and reconsidered.

Under ERISA there are steps you can take to enforce the above rights. For instance, if you request materials from the plan and do not receive them within thirty days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the plan's money or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of

Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about your plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest area office of the Pension and Welfare Benefits Administration, U.S. Department of Labor listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefit Administration, U.S. Dept. of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.